

Ref: KIPCO/DGCEO 129/22 dated November 20, 2022

Boursa Kuwait Company

KUWAIT

السادة / شركة بورصة الكويت
المحترمين
دولة الكويت

Subject: KIPCO's Analyst/Investor Conference call
Minutes for Q3/2022

الموضوع: محضر مؤتمر المحللين/المستثمرين لمشاريع الكويت
القابضة "كيبكو" للربع الثالث من السنة المالية 2022

With reference to the above subject, and the requirements of article No. (2-4-8) "Continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued via resolution No. (1) of year 2018, and since KIPCO has been classified in the premier market, Kindly note that the analyst/investor conference was conducted through a conference call at 2:00 PM (local time) on Wednesday 16/11/2022.

بالإشارة الى الموضوع اعلاه، والى متطلبات المادة (2-4-8) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن كيبكو تم تصنيفها ضمن مجموعة "السوق الأول"، نود ان نحيطكم علما بأن مؤتمر المحللين/المستثمرين قد انعقد عبر مكالمة هاتفية جماعية في تمام الساعة الثانية عصراً (التوقيت المحلي) من يوم الأربعاء الموافق 2022/11/16.

Kindly note that no material information has been discussed during the conference. Please find attached the minutes of the conference (Arabic & English) and the investors presentation for Q3-2022.

كما يرجى العلم بأنه لم يتم تداول أي معلومة جوهرية خلال المؤتمر، وتجدون مرفق طيه محضر المؤتمر باللغتين العربية و الإنجليزية والعرض التقديمي للمستثمرين عن الربع الثالث لعام 2022.

Sincerely,

وتفضلوا بقبول فائق الاحترام،،



Samer Khanachet
Deputy Group Chief Executive Officer

كيبكو
KIPCO
شركة مشاريع الكويت (القابضة)
Kuwait Projects Company (Holding)

سامر خنشت
نائب الرئيس التنفيذي للمجموعة



Investor Call Transcript
Q3 2022

كيبكو
KIPCO
شركة مشاريع الكويت (القاضة)
Kuwait Projects Company (Holding)



KIPCO Q3 Investor Call Transcript

Introduction: Good afternoon, everyone. This is Ahmed El Shazly and on behalf of EFG Hermes, I welcome you all to KIPCO's third quarter 2022 results conference call. It is a pleasure to have with us on the call today from KIPCO's management Mr Sunny Bhatia (Group CFO), Mr Moustapha Chami (Deputy Group CFO), Mr Anuj Rohtagi (Group Senior Vice President, Financial Control) and Ms Eman Al Awadhi (Group Senior Vice President, Corporate Communications & IR). I would like to hand over the call to Ms Eman Al Awadhi. Thank you.

Eman Al Awadhi: Thank you, Ahmed and good afternoon, everyone. We welcome you to our earnings call for the third quarter of financial year. Please note that today's presentation is also available on our website along with financial statements for the period.

Page 2 of the presentation reads out a brief disclaimer. Some of the statements that we will be making today and information available in the presentation can be forward looking. Such statements are based on KIPCO's current expectations, predictions and estimates and are subject to risks and uncertainties which may adversely or otherwise affect the future outcome. They are not guarantees of future performance, achievements, or results. I will now hand over to Sunny.

Sunny Bhatia: Thank you Eman and good afternoon, everyone.

We will start with key highlights on page 3 of the presentation. We have reported a net profit of US\$ 19 million for the nine months ending 30th of September 2022. In the following slides we will provide you with further details on key drivers of performance. On the merger front, we have received all regulatory, shareholders and other stakeholders' approvals to go ahead with execution. The timeline for corporate actions relating to capital increase and share swap to execute the merger are: 13th of November was the Cum Date, 14th of November was the Ex-Date (*required actions have been completed related to these milestones*), 16th of

November is Record Date and 23rd of November is the Swap date or Payment date. Thereafter only one ticker trades i.e., of KIPCO and the merger stands completed.

Moving on to liquidity, in terms of our liquidity position, KIPCO continues to maintain liquidity of US\$ 353 million along with a committed facility of US\$ 375 million.

As we strive to enhance our ESG performance, recently KIPCO published its first Sustainability Report. The report focuses on our key achievements in 2021 in relation to non-financial and sustainability aspects. Our target is to enhance performance on the key KPIs in this regard and report on progress on a periodic basis.

I will now hand over to Moustapha to provide details on the financial performance of the Group.

Moustapha Chami: Thank you Sunny and good afternoon, everyone.

Let us move to slide 5, covering the consolidated financial performance of the Group. 9M 2022 revenue of US\$ 1.64 billion was 7% or US\$ 122 million less compared to 9M 2021 revenue of US\$ 1.76 billion. Amongst the key components of total revenue, interest income from banking operations increased by US\$ 117 million or 16% recorded at US\$ 833 million compared to US\$ 716 million in 9M 2021. The decrease in total revenue was largely due to lower investment income which recorded a decline from US\$ 185 million in 9M 2021 to US\$ 48 million in 9M 2022 primarily owing to a one-time gain of US\$ 88 million on derecognition of a subsidiary in 9M 2021 and due to adverse market performance in 9M 2022. Additionally, the revenue in 9M 2021 was positively impacted by the Group's share of the one-off gain of US\$ 163 million which is equivalent to US\$ 75 million from Gulf Insurance Group's acquisition of AXA in the third quarter of 2021. Lastly, there was a decrease of US\$ 39 million in media and digital satellite network services income during 9M 2022.

On the other side, total expenses of the Group during 9M 2022 were stable and recorded a marginal increase of 1% or US\$ 21 million as compared to 9M 2021. There

was a decrease of US\$ 36 million in media and digital satellite network services expenses and a decrease of US\$ 25 million in hospitality and real estate expenses. However, these were offset by an increase of US\$ 79 million in interest expenses. Below the operating profit line, provisions for credit losses and investments reduced to US\$ 39 million in 9M 2022 compared to US\$ 203 million in 9M 2021. The Group recorded a net monetary loss of US\$ 54 million during the period due to application of hyperinflation accounting for its banking subsidiary operating in Turkey. Hyperinflation loss also impacted our insurance associate in Turkey that was reported through share of results of associates. For further details, please refer to Note 2.5 in KIPCO's Interim Condensed Consolidated Financial Information for 9M 2022.

As a result of these key revenue and expenses line items, KIPCO reported a net profit of US\$ 19 million in 9M 2022 compared to a net profit of US\$ 88 million in 9M 2021, which included a one-off gain of US\$ 75 million. This translates into an earnings per share of 1.0 fils per share or 0.32 cents per share for 9M 2022 compared to earnings per share of 13.0 fils per share or 4.20 cents per share for 9M 2021.

We can now go to page 7, which covers Burgan Bank Group's results. We would like to direct you to Burgan Bank's Q3 2022 earnings call held on the 25th of October 2022 for more details. In our presentation today, we will be covering key performance highlights of the bank.

The loan book as of 30 September 2022 was US\$ 13.2 billion, recording a decline of US\$ 566 million i.e., -4% compared to December 2021. The decline was primarily contributed by Kuwait operations (-US\$ 438 million or 4%) wherein loan reduction was primarily on account of the risk-reward considerations.

Deposits declined by 10% in 9M 2022 or US\$ 1.3 billion vs. FY 2021 to reach US\$ 12.1 billion driven the bank's strategy to optimize deposit growth in tandem with growth trends in the loan book. The contraction in deposit base was majorly driven by lower

deposits in Kuwait (by 11% or US\$ 1.1 billion) and Turkey (by 4% or US\$ 74 million). The bank reported a strong liquidity coverage ratio of 127% and net stable funding ratio of 110%.

The bank reported operating income for 9M 2022 at US\$ 536 million, which is similar to 9M 2021. Net interest income grew by 13% to US\$ 340 million in 9M 2022 vs US\$ 301 million in 9M 2021 driven by improvement in net interest margins by 20 bps to reach 2.3% in 9M 2022 vs 2.1% in 9M 2021. However, the growth in net interest income was offset by lower non-interest income, primarily due to lower investment gains compared to 9M 2021 given the movement in the capital markets across the globe.

Provisions charged to the income statement reduced significantly to US\$ 43 million in 9M 2022 as against US\$ 152 million in 9M 2021 on account of improvement across Kuwait and international operations.

As a result of the above-mentioned key movements, Burgan Bank Group posted a net income of US\$ 133 million in 9M 2022 vs US\$ 130 million in 9M 2021, an increase of 2% on a year-on-year basis.

Non-performing loans (NPL) ratio was higher at 2.6% on the 30th of September 2022 as against 1.7% on the 31st of December 2021. The bank reported a CET1 ratio of 11.0% and CAR of 17.3% as on the 30th of September 2022, well above regulatory requirements.

Page 8 highlights performance of regional operations of the Group. Regional loan book declined by US\$ 122 million or 4% in 9M 2022. The reduction in regional loan book was mainly driven by cautious growth strategy in Turkey and TRY devaluation. This was partly offset by growth in Algeria loan book by US\$ 23 million or 2% in 9M 2022. Similarly, deposits decreased by US\$ 93 million or 3% in 9M 2022 vs. as at FYE 2021 mainly contributed by Turkey and Algeria. Overall, the share of regional loan

book and customer deposit was 24% and 30% of total Burgan Bank loan book and customer deposits, respectively. Net profit from regional operations was higher in 9M 2022 by US\$ 32 million vs 9M 2021 due to better operating results and lower provisioning in Burgan Bank Turkey.

The overall outlook for our banking operations remains sound with improving margins and improvement in cost of credit.

Now, I will hand over to Anuj to present GIG and other Group companies' performance.

Anuj Rohtagi: Thank you Moustapha and good afternoon, everyone.

We can now go to page 9 of the presentation which summarizes Gulf Insurance Group's performance. The group reported gross premiums of US\$2.1 billion in 9M 2022, which were about 73% higher than the gross premiums reported during same period last year at US\$1.2 billion. The nine months results also include impact of acquisition of AXA's operations which was completed in September 2021. The increase was driven by growth of both conventional as well as Takaful insurance premiums with significant contribution from newly acquired AXA's Gulf businesses.

On the bottom left chart, you can see that the combined ratio has improved to 92% in 9M 2022 from 93% in 9M 2021 and the net investment income for 9M 2022 increased by 69% to US\$ 71 million from US\$ 42 million last year. The investment income increase was driven by higher volume, which was driven partially by AXA acquisition. The company booked US\$ 38 million net monetary loss on account of hyperinflation adjustments in relation to Gulf Sigorta, its subsidiary in Turkey. GIG reported a net profit of US\$ 75 million for 9M 2022. During 9M 2021, GIG reported a net income of US\$ 219 million on a restated basis. During that period, it booked US\$ 163 million of one-time gains related to acquisition of AXA's Gulf operations.

Excluding this item, the normalized net profit of GIG grew by 34% in 9M 2022 vs same period last year.

Moving to page 10, United Gulf Holding reported revenue of US\$ 124 million for nine months ended 30th of September 2022, reflecting a 6% decrease from US\$ 132 million during same period last year. This is largely on account of reduced investment income from US\$ 26 million in 9M 2021 to US\$ 6 million in 9M 2022, as the markets witnessed a negative impact on account of macro-economic environment. However, the decline was partly offset by increased interest income (by US\$ 7 million or 22%) and an increase in share of results from associates (by US\$ 4 million or 15%). Fee & commission income in 9M 2022 remained stable at US\$ 52 million.

Expenses during the period increased marginally by 4% to US\$ 127 million in 9M 2022 compared to US\$ 122 million in 9M 2021, primarily due to increased interest expenses. Overall, UGH reported a loss of US\$ 14 million during 9M 2022 as compared to a loss of US\$ 7 million during the same period last year.

We can now move to page 11 that shows URC's results. Operating profit for the company increased by 33% to US\$ 43 million in the nine months ending 30th of September 2022 from US\$ 33 million during the same period last year. URC also reported an increase in net profit during the period to US\$ 26 million from US\$ 8 million in 9M 2021. The improvement in operating performance resonates with the improving market conditions during the year, post the lifting of COVID-related restrictions. The growth in net profit was further supported by foreign exchange gains of US\$ 7 million (vs. a loss of US\$ 1 million in 9M 2021) and gain from sale of an associate, Kuwait Hotels Company, of US\$ 4 million in 9M 2022.

On to page 12, OSN continues to maintain its focus on enhancing the user experience on its digital platforms and bringing high quality content to the region. 'House of the Dragon' pulled in record viewership for OSN+ and became its largest release to date. The series lead to unsurpassed growth in users and trialists since the premiere. On

the linear front too, audience reach grew by 50% on the channel. OSN continues to improve its streaming product, packaging and pricing with new lower priced packages launched in emerging markets to enhance customer reach. The company has performed in line with its plans including optimization of the operational costs during the nine months of 2022.

Moving on to page 13. As QPIC has its financial year start on April 1, we have shown results for the six months period ended 30th of September 2022, where QPIC reported a net profit of US\$ 51 million during the period, compared to a profit of US\$ 11 million for the same period last year. The growth in net profit is primarily attributable to significantly increased profits and dividend income from its investments in the petrochemical sector and a higher share of income from SADAFCO, its food and dairy subsidiary.

Page 14. Driven by improving market conditions and the bank's growth strategy, JKB reported notable improvement in its operating results. The loan book grew by 10% to US\$ 2.6 billion as of September 2022 vs. US\$ 2.4 billion as of December 2021 while deposits increased by 19% to US\$ 3.2 billion during the same period. Operating income grew by 32% to US\$ 145 million in 9M 2022 compared to US\$ 110 million during the same period last year. Further, the bank reported a net profit of US\$ 16 million in 9M 2022 as compared to a net profit of US\$ 6 million in 9M 2021 due to higher operating income.

We now hand over to Ahmed to invite our listeners to raise any questions they may have.

Moderator: We have our first question from Zafar Nazim, please go ahead.

Zafar Nazim: Thanks for the call. I have a couple of questions. First, I know that you have this interim bridge facility in place, but you are also talking about converting the facility

into a longer-term financing? Can you please give us an update on how that is going along, what kind of facility we should expect and what would be the size?

Anuj Rohtagi: Thanks, Zafar. We have disclosed a US\$ 375 million committed facility, in addition to that we keep looking at several options to enhance the company's liquidity and the maturity profile, which is an ongoing process. We do not disclose further details until the company has made significant progress on any of these.

Zafar Nazim: Thanks, got it. On OSN, if I look at the income statement details, it seems that the operating loss in OSN has increased in the third quarter. I was wondering what is going on over there. Do you have a trajectory for when this business will be EBITDA neutral, and if you can give us some idea about what kind of cash burn are you experiencing right now and what should we expect for next year?

Anuj Rohtagi: We will avoid giving any forward-looking statement. This is a function of the budget process for the next to ongoing year. For the current year, we are going as per the plan. Further, there is a seasonality in these numbers, so it is hard to compare one quarter vs. the previous quarter. On cash burn, all we can say right now is that the cash infusions are continuously reducing on a period-to-period basis, and we believe that the plan we have is working. We cannot disclose any further details because of the private nature of the investment.

Zafar Nazim: Got it. The last question I have is on KIPCO's dividend policy post-merger. Both KIPCO and QPIC pay around US\$ 105 million in dividends and with the merger in place, how should we think about dividend policy for next year or in the near term?

Anuj Rohtagi: Well, we do not have a stated dividend policy. Dividend decisions are taken based on several factors, and it is too early to comment on it right now. We will be considering them as we get closer to the decision, and it will be then up to the Board and shareholders to take the final decision.

Zafar Nazim: Ok. Thank you.

Moderator: We have our next question from Rakesh Tripathi, please go ahead.

Rakesh Tripathi: Can you please share the HoldCo cash levels at the end of Q3 and any major cash spent during the quarter?

Anuj Rohtagi: Thank you, Rakesh. We have a reported cash balance of US\$ 353 million as of the 30th of September 2022, which is broadly in line with our expectations and Q2 balance. Due to the ongoing merger process, we are unable to disclose further details of the financials. Once the merger process is complete, next year we hope to share more granularities. Thank You.

Moderator: As we do not have any further questions at this point. I will hand over to the management for any concluding remarks.

Eman Al Awadhi: Thank you Ahmed. Thank you everyone for joining us on this call. We look forward to talking to you again once we have our year end results. We wish you a very good day. Thank you.



KIPCO Q3 2022 INVESTOR CALL

November 2022



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This presentation contains forward looking statements These statements may be identified by such words as " may", " plans", " expects", " and similar expressions, or by their context These statements are made on the basis of current knowledge and assumptions Various factors could cause future results, performance or events to differ materially from those described in these statements No obligation is assumed to update any forward looking statements.

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Exchange rates of USD/KD of 0.30985 and of USD/JOD of 0.709 have been used in the presentation for financial numbers

Highlights

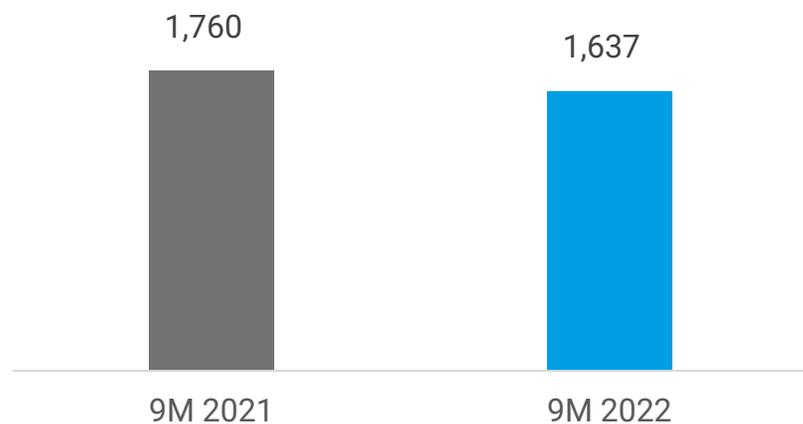
- Reported net profit of US\$19mn for 9M 2022
- Progress on the merger:
 - Received all regulatory approvals
 - Approved by shareholders at respective EGMs
 - Set the date of share swap as 23 November 2022
- Liquidity position remains strong:
 - Cash balance of US\$353mn and US\$375mn committed facility
- Published first Sustainability Report

A modern glass skyscraper with a white grid overlay against a sunset sky. The grid consists of white lines that curve and converge towards the top right, creating a sense of depth and perspective. The sky is a mix of blue, orange, and yellow, with a bright sun on the right side. The building's glass facade reflects the sky and the grid lines.

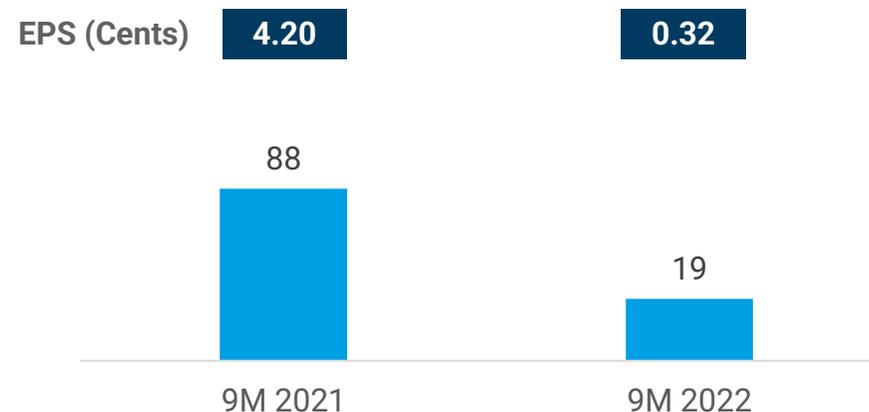
CONSOLIDATED FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

Revenue US\$ mn



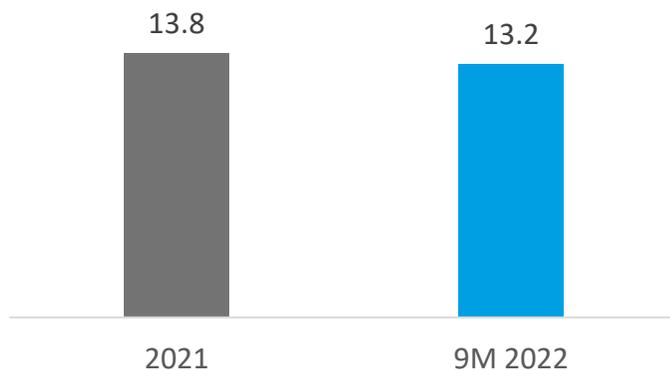
Net Profit US\$ mn



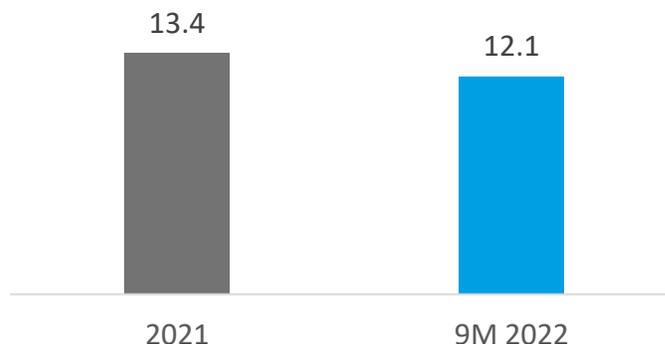
A modern glass skyscraper with a white grid overlay against a sunset sky. The grid consists of white lines that curve and converge towards the top right, creating a sense of depth and perspective. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon, where the sun is partially visible, creating a lens flare effect. The building's glass facade reflects the sky and the grid lines.

PORTFOLIO FINANCIAL PERFORMANCE

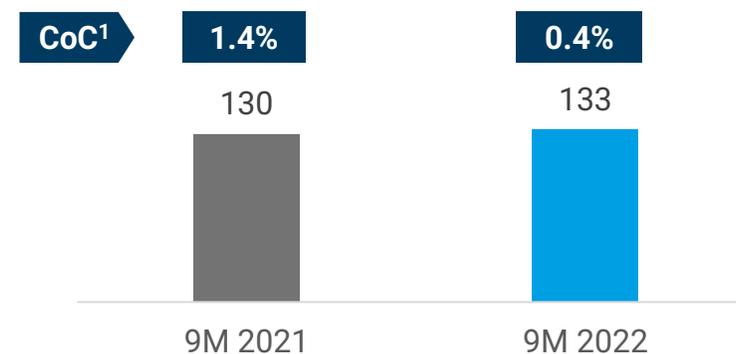
Loans US\$ bn



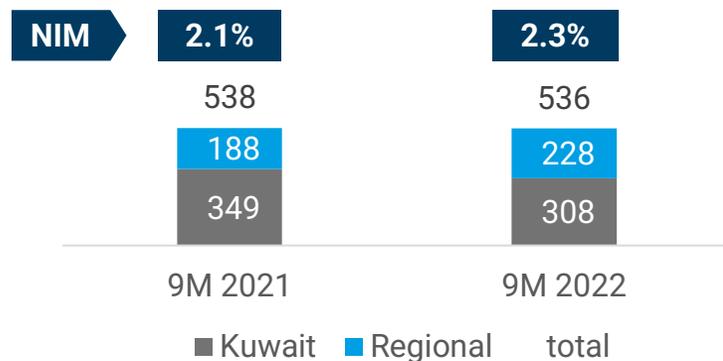
Deposits US\$ bn



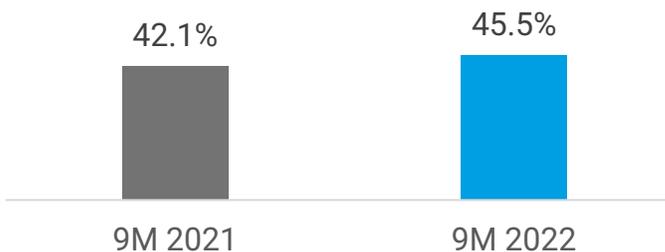
Net Income US\$ mn



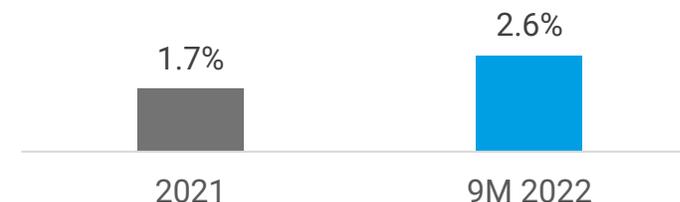
Operating Income US\$ mn



Cost to Income %



Non Performing Loans %



BURGAN BANK REGIONAL OPERATIONS

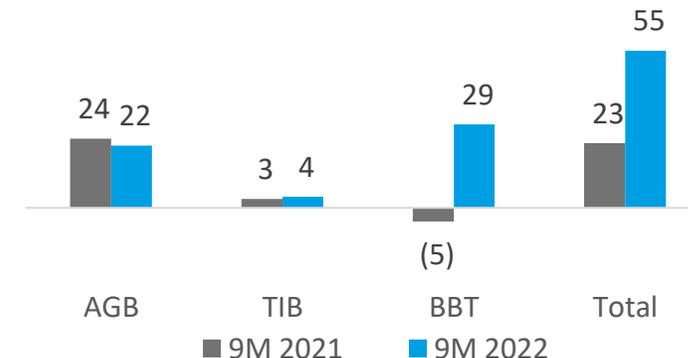
Loans US\$ bn



Deposits US\$ bn



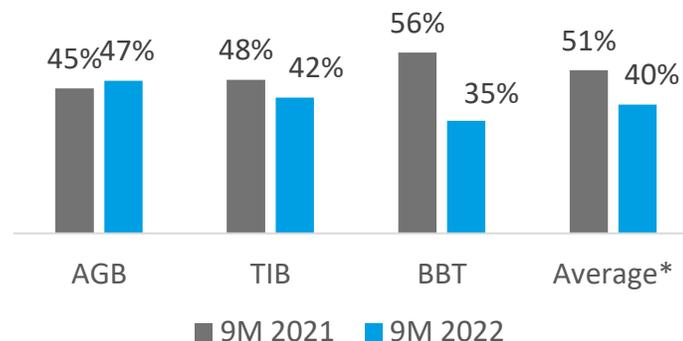
Net Income US\$ bn



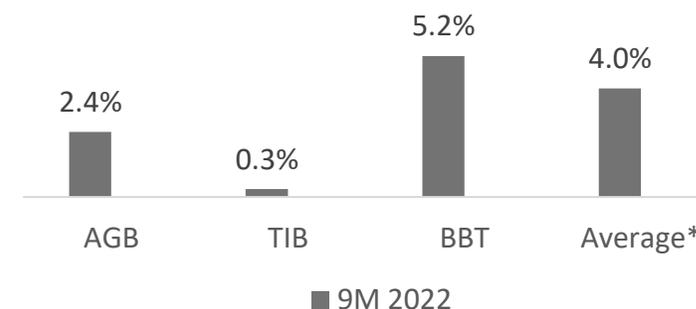
Net Interest margin %



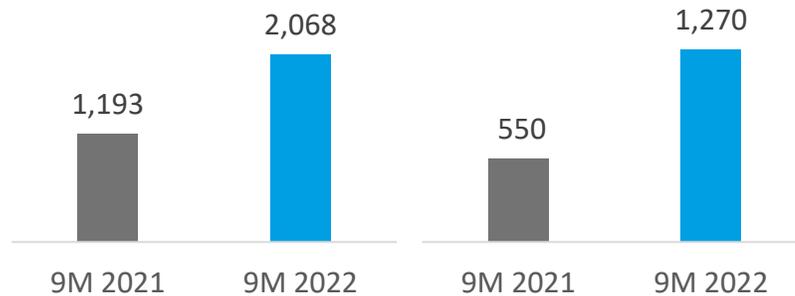
Cost to Income %



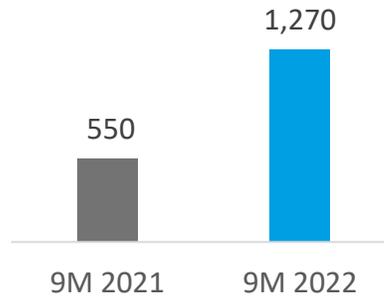
Non-performing Loans %



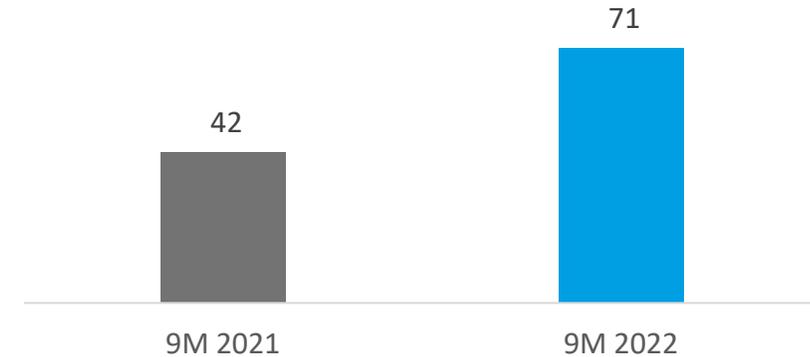
Gross Premium Written US\$ mn



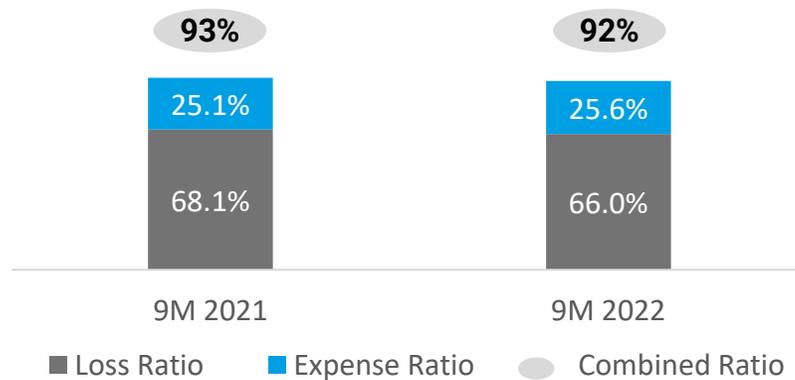
Net Premium Written US\$ mn



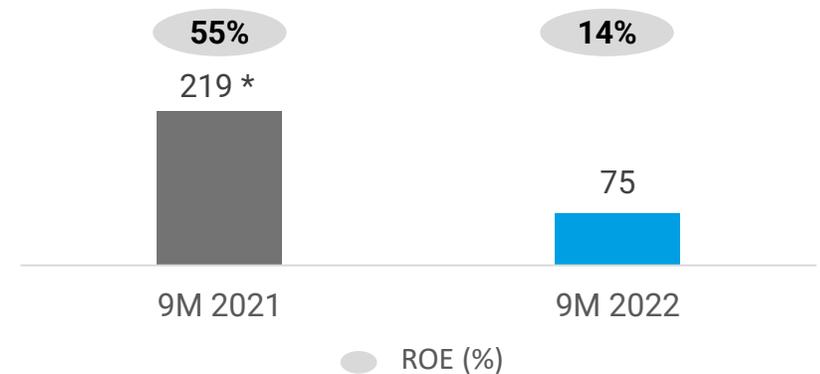
Net Investment Income US\$ mn



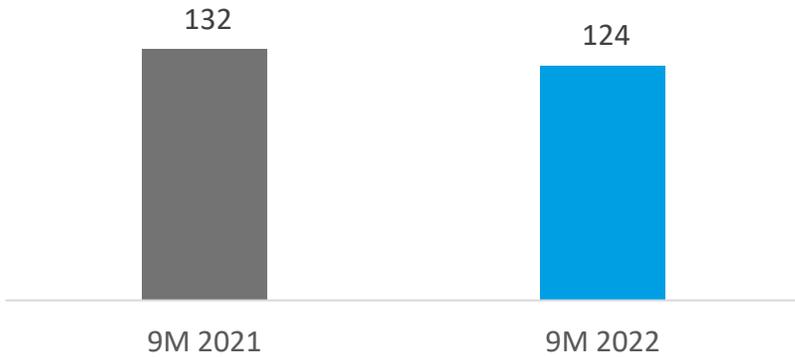
Combined Ratio %



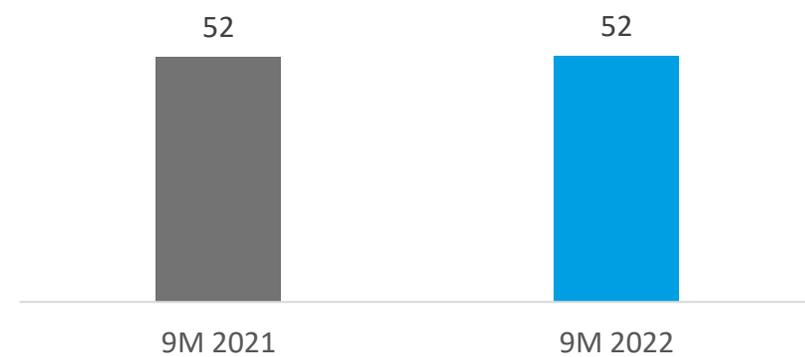
Net Profit US\$ mn & ROE %



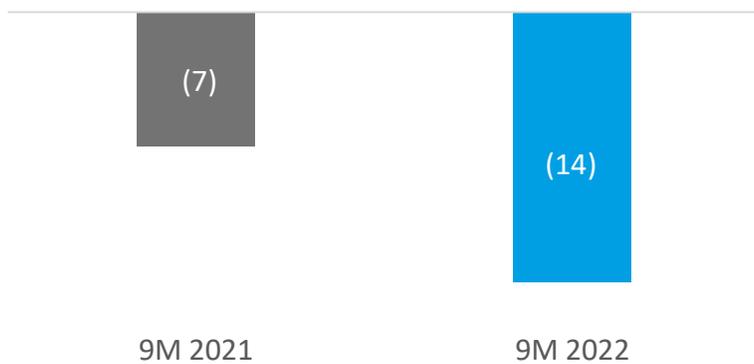
Revenue US\$ mn



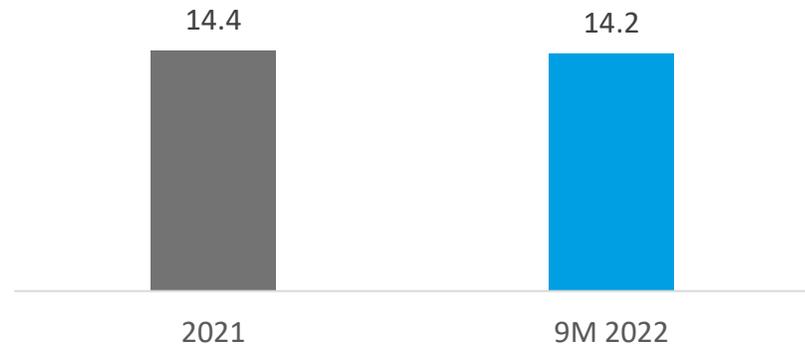
Fee & Commission US\$ mn



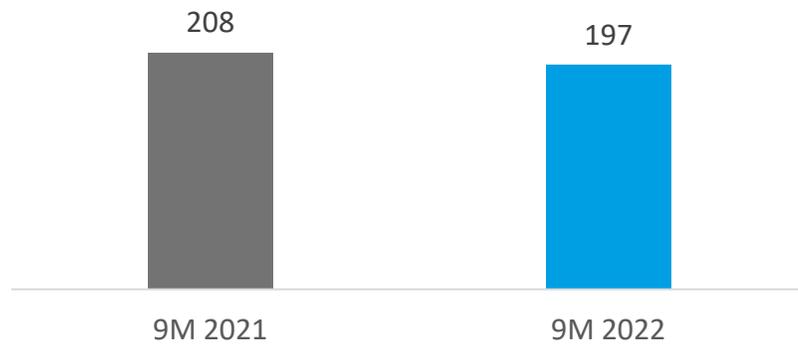
Net Loss US\$ mn



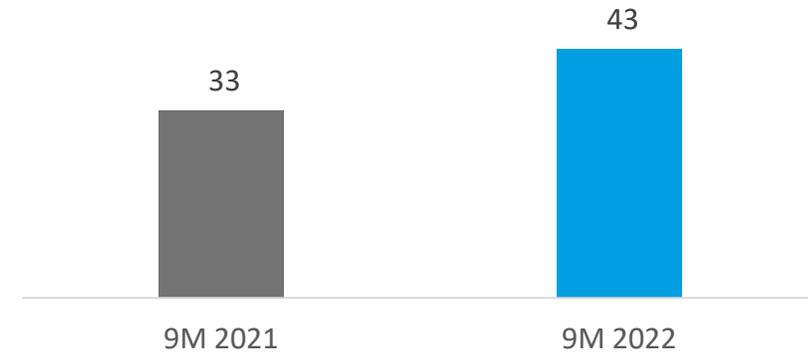
AuM US\$ bn



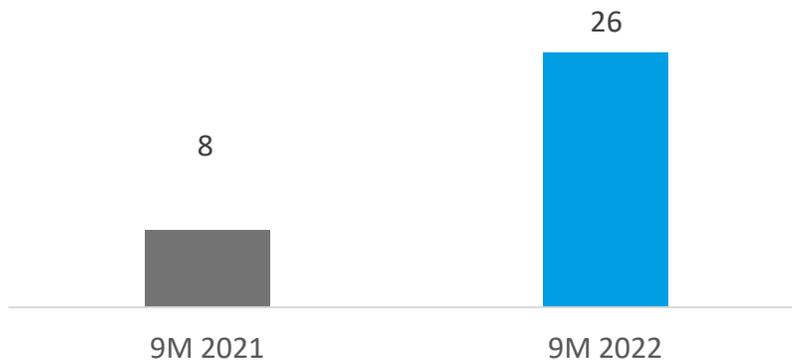
Revenue US\$ mn



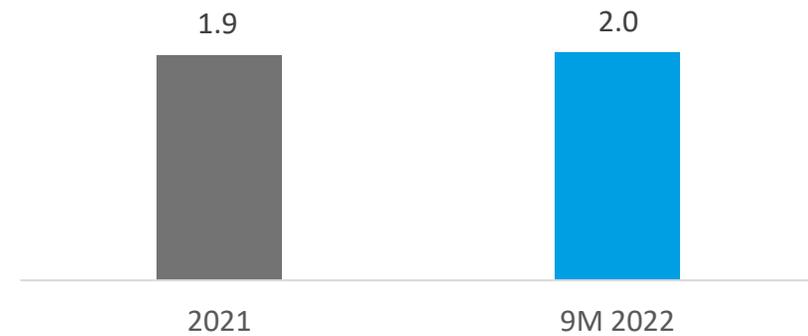
Operating Profit US\$ mn



Net Profit US\$ mn



Total Assets US\$ bn



OSN: OVERVIEW AND UPDATE

General entertainment platform in MENA, operating across multiple platforms:

- Over-the-top streaming (OTT)
- Direct-to-home (DTH)
- Cable fibre & Internet Protocol television (IPTV)
- Business - Large commercial setups & hotels

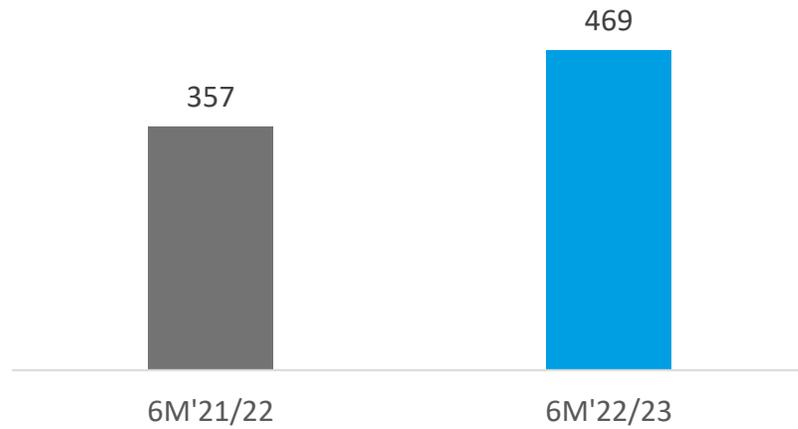
Premium content:

- 67 channels (including 43 HD channels and 18 owned and operated channels) in linear TV
- 18,000 hours of content on OSN+
- Exclusive contracts with 4 major Hollywood studios; 1st pay window on Pay-tv and SVOD; Tailored Arabic language content
- Licensed to operate in 22 countries, active in 7 core markets
- Employs ~590 people, 27 retail locations and network of 69 partners

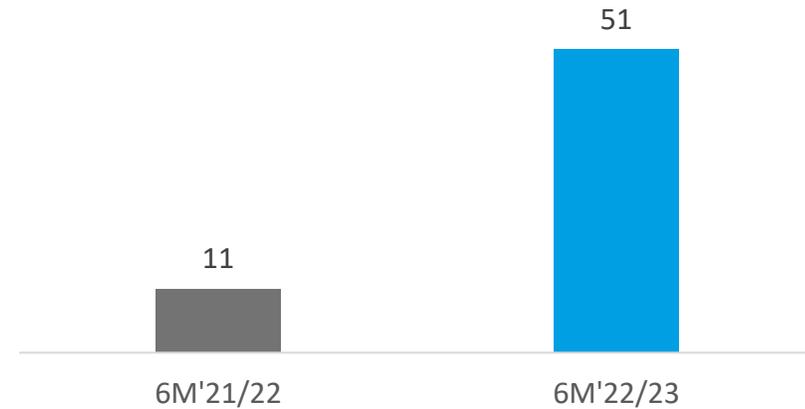
Business update:

- Focused on enhancing user experience on its digital platforms along with cost optimization

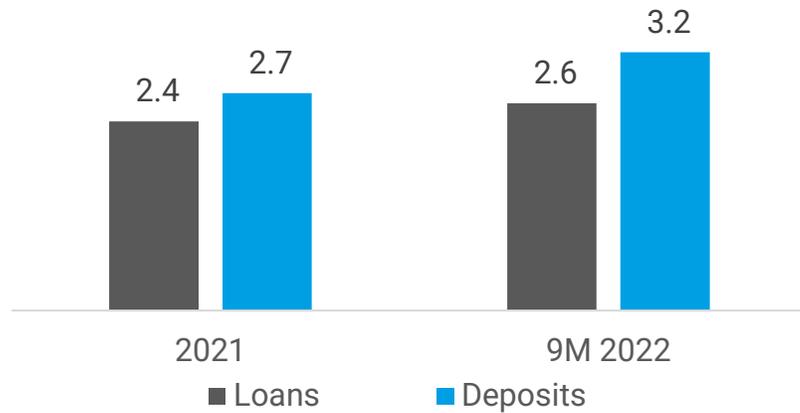
Revenue US\$ mn



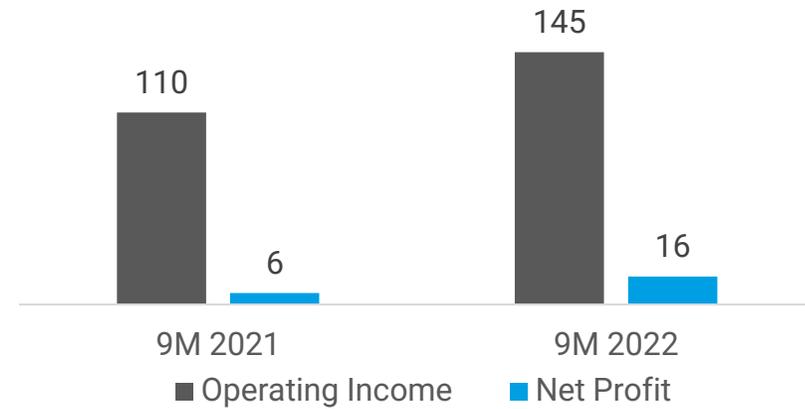
Net Profit US\$ mn



Loans & Deposits US\$ bn



Operating Income & Net Profit US\$ mn





THANK YOU